



Recent casualties of late globalization

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DOI (link to publication from Publisher):
<https://doi.org/10.5278/tbrpp-4>

Publication date:
2016

Document Version
Publisher's PDF, also known as Version of record

[Link to publication from Aalborg University](#)

Citation for published version (APA):
Turcan, R. V. (2016, Feb). Recent casualties of late globalization. (4 ed.) TBRP Perspectives.
<https://doi.org/10.5278/tbrpp-4>

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TBRP Perspectives

TBRPP-4, February 18, 2016

TBRP subject area: Late Globalization, Re-globalization, Exo-globalization

Recent casualties of late globalization

Romeo V. Turcan

Summary

In this essay I will expand my thoughts on universities as ‘late globalizers’ and the impact ‘being late’ has on university internationalization or globalization activities. In my earlier essay, ‘Shedding further light on late globalization’ (TBRPP-3), I viewed universities as ‘late globalizers’ and briefly introduced the impact of being ‘late’, e.g., withdrawal or de-internationalization of universities due to incompatibility between university autonomy and the context in the target country or universities unwillingness to compromise on their freedom and autonomy. De-internationalization or withdrawal of universities from international markets is a fairly recent, but largely unexplored phenomenon. And the empirical focus has been steadily shifting from anecdotal evidence towards a systematic, scholarly enquiry of the phenomenon. That contexts matter is not something new in international business or international management. Recent failures and de-internationalization of universities from international markets – or shall we say recent casualties of late globalization – highlight numerous problems and challenges universities face, and at the same time generate interesting and surprising findings that challenge not only international business theories, but also practice and public policy.

Keywords

Late globalization; University internationalization and de-internationalization; University autonomy

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Recent casualties of late globalization

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In this essay I will expand my thoughts on universities as ‘late globalizers’ and the impact ‘being late’ has on university internationalization or globalization activities.

In my earlier essay (above) I viewed universities as ‘late globalizers’ and briefly introduced the impact of being ‘late’, e.g., withdrawal or de-internationalization of universities due to incompatibility between university autonomy and the context in the target country or universities unwillingness to compromise on their freedom and autonomy.

De-internationalization or withdrawal of universities from international markets is a fairly recent, but largely unexplored phenomenon. And the empirical focus has been steadily shifting from anecdotal evidence towards a systematic, scholarly enquiry of the phenomenon. That contexts matter is not something new in international business or international management. Yet, before we dive into the discussion, it is important to define context. For the purpose of this essay I employ Gary Johns’ definition of context as “...situational opportunities and constraints that affect the occurrence and meaning of organizational behavior as well as functional relationships between variables”.

According to Mark Casson, de-internationalization could be viewed as correcting an error previously made. For example, a university may be too quick to internationalize, may entry to too many markets, or engage in advanced internationalization when it sets up branch campuses or other greenfield investments as independent institutions in a foreign country. From this perspective, one may ask whether engaging in advanced internationalization or correcting such errors a university is any different from an MNE or even whether international business theories could explain or inform such advanced internationalization processes of universities.

For example, a top, internationally recognized and reputable university that wants to take advantage of market opportunities in a developing economy and that believes that the quality and reputation could be delivered and safeguarded only within the university would decide to open or build a campus in that country. Furthermore, following conventional wisdom of international business, a university, as any MNE, should adapt its strategy, resources, structures and organization to that international environment.

On the other hand, if we bring to the fore the context that defines a university to explain or to inform the decision to internationalize or globalize, then the output would not only be different, but to a degree inconvenient to decision and policy makers. The context that defines a university – institutional university autonomy – rests on 4 pillars of autonomy: organization autonomy, financial autonomy, human resource autonomy and academic autonomy, and 5 five interfaces that characterize external and internal points of interaction between modern

universities and their key stakeholders: government-university; university management-university staff; academic staff-students; university-business; and university-internationalization (Reilly, Turcan and Bugaian, 2015).

Organizational autonomy pertains to university freedom to set own structures and statutes, making contracts, electing decision-making bodies and persons; financial autonomy is about university freedom to acquire and allocate funding, decide on tuition fees, and accumulate surplus; staffing autonomy is relates to university freedom to recruit, set up salaries and promotion policies; and academic autonomy is about university freedom to decide on degree supply, curriculum and methods of teaching, as well as decide on areas, scope, aims and methods of research (Estermann and Nokkala, 2009).

Government–university interface explores inter alia state policies towards higher-education, and role of central and regional governments in issuing regulations for the structure of university governance; university management–university staff interface explores inter alia governance and management models of a modern university, power sharing in strategic and operational decision making, and implications of top-down, bottom-up or flat organization; university staff–students interface explores inter alia students’ role in university governance and management, as well as in learning and teaching with the new learner-centered paradigm and research processes, staff as teachers vs. staff as facilitators, and changing the mind-set about relations with students; university–businesses interface explores inter alia businesses’ role in university governance and management, as well as in teaching and research processes, models of knowledge transfer and knowledge sharing; university–internationalization interface explores inter alia university internationalization policies, university strategies for internationalization, staff and student mobility, in-ward and out-ward internationalization modes and models, partnership models and their implication for accreditation related to the process of internationalization (Reilly, Turcan and Bugaian, 2015).

Recent review by Turcan and Gulieva (2015) of university advanced internationalization through the lenses of institutional university autonomy illustrated that none of the reviewed papers on university internationalization explored the effect of local context (institutional university autonomy) in host countries on university internationalization. Moreover, none of the reviewed papers investigated the degree and the effect of incompatibilities between institutional university autonomy in the host and home countries. In the context of internationalizing university, Turcan and Gulieva (2015) refer to such incompatibility as ethical dilemma. That is, should internationalizing universities develop a different set of ethical standards for the target country, should they insist on deploying their own ethical standards in that country, or should they adapt to ethical standards of the host country? It was surprising to observe that some researchers would suggest that one way to deal with differences and incompatibilities between institutional university autonomy in the host and home countries is for an internationalizing university to “hold two sets of ethical standards—one for its domestic stakeholders and the other for the rest” (Sidhu, 2009, p. 137).

Intersecting international business and institutional university autonomy theories could be viewed as a paradox, generating a set of interesting research questions for future research and theory development. Given the incompatibility between institutional university autonomy in the host and home countries, should a university even consider advanced

internationalization? For example, despite of the generous offer and incentives from the Singaporean Government to establish a branch campus in Singapore as well as positive financial forecast of the project, Warwick University declined the offer raising concerns over the state of human rights and academic freedom. Or, if universities do decide to internationalize despite the incompatibility between institutional university autonomy in the host and home countries, should they compromise their autonomy in favor of advanced international entry? Or, to what degree these internationalizing universities, in embracing new, dissimilar, and sometimes conflicting dimensions of institutional university autonomy in the host country, are compromising key aspects of their own autonomy and core mission? The incongruity in institutional university autonomy settings at home and in the host countries may lead to the de-internationalization of universities. Or, universities would correct the error of advanced internationalization through de-internationalization?

Recent failures and de-internationalization of universities from international markets – or shall we say recent casualties of late globalization – highlight numerous problems and challenges universities face, and at the same time generate interesting and surprising findings that challenge not only international business theories, but also practice and public policy. New contexts: sector (e.g., higher education) and organization (e.g., university) as well as unexplored areas of international business such as de-internationalization not only challenge the explanatory power of existing organization and international business and management theories, but also advance new concepts and theories, contributing to our better understanding of late globalization reality and stimulating future research.